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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

Case No.: 08-01789 (BRL)

SIPA LIQUIDATION
(Substantively Consolidated)

**DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD
AND STATEMENT OF THE ISSUES TO BE PRESENTED ON APPEAL**

Pursuant to Federal Rule of Bankruptcy Procedure 8006, and in connection with the Notice of Appeal filed on April 11, 2011, by Marsha Peshkin and large group of other Madoff customers (the "Customers") [Doc #4005], the Customers hereby designate the items to be included in the record and state the issues to be presented on appeal to the United States District Court for the Southern District of New York from the Bankruptcy Court's Order Denying Customers' Motion to Set Aside the Order Approving the

Trustee's Settlement With the Levy Heirs for Failure to Disclose Material Information
entered on March 30, 2011 (Doc # 3984 08-01789 (BRL)) (the "Order").

**DESIGNATION OF THE ITEMS
TO BE INCLUDED IN THE RECORD ON APPEAL**

<u>PROCEEDING No.</u>	<u>FILING DATE</u>	<u>DOC. No.</u>	<u>DOCKET TEXT</u>
08-01789 (Bankr. S.D.N.Y.)	01/27/2010	1833	<i>Motion for Entry of Order Pursuant to Section 105(a) of the Bankruptcy Code and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure Approving an Agreement by and Among the Trustee and Jeanne Levy-Church and Francis N. Levy</i> filed by Marc E. Hirschfield on behalf of Irving H. Picard. (Attachments: # (1) Notice of Motion# (2) Exhibit A# (3) Exhibit B# (4) Exhibit C# (5) Appendix Certificate of Service)
08-01789 (Bankr. S.D.N.Y.)	02/18/2010	1964	Order Signed on 2/18/2010 Approving an Agreement By and Among the Trustee and Jeanne Levy-Church and Francis N. Levy. (Related Doc # [1833]) (Nulty, Lynda)
08-01789 (Bankr. S.D.N.Y.)	02/22/2010	1969	Transcript regarding Hearing Held on February 18, 2010 RE: Motion for an Entry of Order Pursuant to Section 105(a) of the Bankruptcy Code and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure Approving an Agreement by and Among the Trustee and Jeanne Levy-Church and Francis N. Levy, et al.
08-01789 (Bankr. S.D.N.Y.)	02/18/2011	3860	<i>Notice of Motion</i> and related documents [1964]) filed by Helen Chaitman on behalf of Marsha Peshkin. (Attachments: # (1) Proposed Order) (Chaitman, Helen)
08-01789 (Bankr. S.D.N.Y.)	02/18/2011	3861	<i>Memorandum of Law in Support of Customers' Motion to set Aside the Order Approving the Trustee's Settlement with the Levy Heirs for Failure to Disclose Material Information</i> (related document(s)[3860]) filed by Helen Chaitman on behalf of

			Marsha Peshkin. (Chaitman, Helen)
08-01789 (Bankr. S.D.N.Y.)	02/18/2011	3862	<i>Declaration of Helen Davis Chaitman in Support of Motion to Set Aside the Order Approving the Trustee's Settlement with the Levy Heirs for Failure to Disclose Material Information</i> (related document(s)[3860]) filed by Helen Chaitman on behalf of Marsha Peshkin. (Attachments: # (1) Exhibit A# (2) Exhibit B# (3) Exhibit C# (4) Exhibit D# (5) Exhibit E# (6) Exhibit F# (7) Exhibit G) (Chaitman, Helen)
08-01789 (Bankr. S.D.N.Y.)	03/16/2011	3942	<i>Trustee's Opposition to Customers' Motion to set Aside the Order Approving the Trustee's Settlement with the Levy Heirs for Failure to Disclose Material Information</i> (related document(s)[3860], [3862], [3861]) filed by David J. Sheehan on behalf of Irving H. Picard.
08-01789 (Bankr. S.D.N.Y.)	03/23/2011	3960	<i>Reply Brief in Further Support of Motion to Set Aside the Order Approving the Trustees Settlement with the Levy Heirs for Failure to Disclose Material Information</i> (related document(s)[3860]) filed by Helen Chaitman on behalf of Marsha Peshkin. (Attachments: # (1) Certificate of Service) (Chaitman, Helen)
08-01789 (Bankr. S.D.N.Y.)	03/25/2011	3966	<i>Trustee's Letter to Judge Lifland in Opposition to Helen Chaitman's Reply Brief regarding Levy Heirs</i> filed by David J. Sheehan on behalf of Irving H. Picard. (Sheehan, David)
08-01789 (Bankr. S.D.N.Y.)	03/30/2011	3984	Minute Order signed on 3/30/2011 Denying Customers Motion to Set Aside the Order Approving the Trustees Settlement With the Levy Heirs for Failure to Disclose Material Information (related document(s)[3860], [3861]). (Saenz De Viteri, Monica)
08-01789 (Bankr. S.D.N.Y.)	03/31/2011	3998	Transcript regarding Hearing Held on 03/30/2011 10:21AM. RE: Motion Seeking Entry of an Order Pursuant to Federal Rule of Civil Procedure 60 and Federal Rule or

			Bankruptcy procedure 9024 Vacating teh February 18, 2010 Order (Doc # 1964) of the United States Bankruptcy Court for the Southern District of New York Approving an Agreement By and Among the Trustee and Jeanne Levy-Church and Francis N. Levy filed by Helen Chaitman on behalf of Marsha Peshkin.
08-01789 (Bankr. S.D.N.Y.)	04/11/2011	4005	Notice of Appeal (related documents[3984]) filed by Helen Chaitman on behalf of Marsha Peshkin. (Attachments: # (1) Exhibit Exhibit A# (2) Civil Cover Sheet# (3) Certificate of Service)(Chaitman, Helen)
09-01197 (Bankr. S.D.N.Y.)	05/12/2009	1	Complaint against Jeffry M. Picower, individually and as trustee for the Picower Foundation, et al. Filed by Irving H. Picard. (Attachments: # (1) Exhibit A# (2) Exhibit B) (Sheehan, David)

STATEMENT OF THE ISSUES TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court erred, in denying the Customers' motion to set aside the Trustee's settlement with the children of Norman Levy pursuant to Federal Rule of Civil Procedure 60(b) for the sum of \$220 million (the "Settlement"), in view of the following:

- a. The Trustee concealed from the Bankruptcy Court and the Customers the fact, known to the Trustee at the time he sought approval of the Settlement, that the Levy children had a \$2 billion margin loan with Bernard L. Madoff Investment Securities, LLC ("BLMIS") as of December 11, 2008.
- b. The Trustee concealed from the Bankruptcy Court and the Customers the fact, known to him at the time he sought approval of

the Settlement, that Norman Levy had financed BLMIS' operations during a period from 1992 through 2001 in the amount of over \$100 billion and that in the year 2001 alone, Levy had transferred \$35 billion to BLMIS. And

- c. The Trustee had utterly disregarded his statutory obligations under 15 U.S.C. §78fff-1(d)(3) and Bankruptcy Rule 9019 to report to the Bankruptcy Court facts he ascertained with respect to fraud, misconduct, mismanagement, and irregularities, and to any causes of action available to the estate against Norman Levy.
2. Whether the Bankruptcy Court erred in striking certain portions of Appellants' Reply.

April 25, 2011

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